

DECLARATION OF MAILING

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below I mailed or caused of a true copy of this document to all parties named DATED this 22nd day of May 2006 at Olympia, Washington.

Signed: Nancy Haley In the Matter of

STATE OF WASHINGTON



OFFICE OF INSURANCE COMMISSIONER

Phone: (360) 725-7000

No. DO6-196

ORDER TO CEASE AND DESIST

American Blast Fax, Inc., SMC, LLC, and Sunbelt Communications and Marketing, LLC, Unauthorized Entities, and Greg Horne, Michael Horne, Robert Michael Horne and Lara Horne, Principals

Pursuant to RCW 48.02.080 and RCW 48.15.023, the Insurance Commissioner orders the entities and the individuals named above and their officers, directors, trustees, agents, employees and affiliates ("Respondents") to immediately cease and desist from:

- A. Soliciting or transacting insurance in the State of Washington in violation of the Washington Insurance Code, including the collection or attempted collection of premium monies and the advertising of insurance and insurance-related products;
- B. Soliciting Washington residents by e-mail, facsimile (fax), telephone, mail or any other means to induce them to purchase any form of insurance product.
- C. Offering to Washington residents a plan or policy of coverage for any form of insurance without first submitting to examination by the insurance commissioner to determine the organization and solvency of the person or the entity offering such insurance, and to determine whether or not such person or entity complies with the applicable provisions of the Insurance Code.

THIS ORDER IS BASED ON THE FOLLOWING:

1. Violation of RCW 48.05.030, Certificate of authority required; RCW 48.15.020, Solicitation by unauthorized insurer prohibited; RCW 48.15.023, Unauthorized Activities-Acts committed in this state, and RCW 48.17.060, License required;

a.) Commencing in or about February, 2005 and continuing to the present time, Respondents have solicited Washington residents by massive "fax blasting" to purchase plans and policies allegedly affording life insurance coverage to said Washington residents. Respondents have not applied for or been granted, a certificate of authority or license to act as an insurer or an insurance agent in

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Washington. Respondents have not submitted to OIC any appropriate certificate, license, or other document issued by another agency of this state, any subdivision thereof, or the federal government, permitting or qualifying Respondents to provide such coverage in this state. Respondents have also not registered with the OIC as risk retention or risk purchasing agents, nor have they solicited this insurance through a licensed surplus lines broker in this state.

b.) Respondents have repeatedly rebuffed all attempted contacts by OIC staff to determine what legitimate insurer, if any, they were soliciting for. At least two voice mail messages were not returned and written inquiries were returned unclaimed from the listed address for Respondents. This is the same address to which telephone company billings have been sent and received each month.

c.) Records of the telephone service provider for Respondents indicate that Respondents have sent facsimile transmissions to more than 6,600 Washington residents during just a three-month period in 2005.

d.) By numerous citations the United States Federal Communications Commission has previously ordered Respondents to cease and desist from the transmission of unsolicited fax solicitations, as have the states of Missouri and Texas in court judgments obtained by the Attorneys General of those states.

2. Violation of RCW 48.30.040, False information and advertising; and RCW 48.30.050, Failure to show name and domicile of insurer;

Respondents implicitly represented to prospective purchasers that the insurance product they were selling was in compliance with the laws of the State of Washington. This representation was false, deceptive and misleading, in that the Respondents were not authorized to solicit an insurance transaction or to issue an insurance contract under RCW Title 48. Respondents further failed to state the name and domicile of the insurer they allegedly represented in their solicitations.

Respondents are ordered to furnish to the Office of the Insurance Commissioner, within thirty (30) days of receipt of this order, a complete listing, to include full contact information, of all Washington residents who have received any insurance or insurance-related solicitation from Respondents.

Respondents are further ordered to furnish the Office of the Insurance Commissioner, within thirty (30) days of receipt of this order, with the complete names and contact information for all insurers whom Respondents claim to have represented in Washington solicitations, as well as copies of any contracts made with those insurers.

Pursuant to RCW 48.15.020 (2) (b), each unauthorized insurer and each individual who made a contract of insurance in this state, directly or indirectly, shall remain individually liable for the performance of the contract and for the full amount of any loss sustained by an insured under such contract.


Pursuant to RCW 48.14.095 and RCW 48.14.020, each unauthorized insurer that made a contract of insurance in this state, directly or indirectly, shall be and shall remain liable for payment of Washington State premium taxes and for any penalties and interest due pursuant to RCW 48.14.060.

Any violation of the terms of this Order by Respondents, their officers, directors, employees, agents, or affiliates, will render the violator(s) subject to the full penalties authorized by RCW 48.02.080, 48.17.530, 48.15.020 and other applicable Code sections.

Respondents have the right to demand a hearing pursuant to chapters 48.04 and 34.05 RCW. This Order shall remain in effect subject to the further order of the commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Tumwater, Washington, this 22nd day of May, 2006.

MIKE KREIDLER
Insurance Commissioner

By: 
Charles Brown, Senior Staff Attorney
Legal Affairs Division
Office of Insurance Commissioner
State of Washington